

CAPITAL AREA CHAPTER – AMERICAN RED CROSS

SPECIAL MEETING BOARD EXECUTIVE COMMITTEE CHAPTER HEADQUARTERS APRIL 5, 2007

MINUTES

Call to Order:

Chair, Anna Johnson, called the meeting to order at 2:00 P.M.

Quorum:

Members Present: Anna Johnson, Bob Scott, Linda Bennett, Crystal Murphy, Michelle Wilson, Paula Fortunas. By phone: Keith Dean, Lee Garner, Mike Thornall.

Board quorum of 10 was not declared; however an Executive Committee quorum of 5 was declared. Action requiring a vote will be taken by the Executive Committee with ratification by the board at its next meeting.

FY 08 Budget:

Treasurer, Keith Dean, gave some opening remarks via phone due to an unexpected business conflict He told the members he would be boarding a plane by 2:30 P.M.

Carol Rittenhouse, Interim Executive Director, gave background on how the budget was prepared. No budget preparation had occurred prior to the interim ED arrival. During the past 3 weeks, all staff has been involved in some aspects of the preparation. Keith Dean has also been involved in each phase and has met with Carol and Chris twice to review the details. Detailed information is available for any who wish to see it, but for discussion purposes today we will use the two handouts: 1) A budget spreadsheet showing projected FY 07 End of Year; FY 07 approved Budget; FY 08 Proposed Budget; FY 09 and FY 10 Fund Raising budgets and 2) Summary of Major Changes for FY 08. Carol presented the FY 08 budget, discussing the major changes.

A motion was made by Keith Dean and seconded by Lee Garner:

Motion: To approve the budget as presented.

Several board members requested further discussion of the budget and a substitute motion was made by Bob Scott and seconded by Linda Bennett:

Substitute Motion: The Executive Committee approves the budget, fully recognizing that it is a significant deficit, but also recognizing a) the Chapter has sufficient cash reserves to cover the deficit if it should be necessary, and b) this year we will put a major effort into fundraising in order to increase our income beyond that projected in this budget rather than either cutting projected expenses thereby decimating our reserves or expending our reserve funds..

Highlights of the discussion include:

- It was noted that the chapter would be in a deficit situation this current fiscal year if it had not used for operations a \$150,000 one-time revenue from United Way designations. This revenue is not expected in FY 08.
- It also was noted that the FY 07 approved budget, included in the revenue section \$80,000 for the Spring Fund Raiser (Gems and Jeans) and also known grant revenue; however, expenses for both this event and the grants were not in the budget. The projected expenditures shown in the first column of the attached spreadsheet is more in line with what should have been actually budgeted.
- The FY 08 proposed budget is \$134,711, or a 14% increase, over FY 07 end of year projections. Several items are driving the increase: Increase in Chapter Assessment; salaries/benefits are increased due to budgeting a higher salary/benefits for a new Executive Director and a 4% merit salary increase for the four existing staff; and additional costs for providing disaster assistance to an increase number of house fires. All other line items are either the same or below the FY 07 projections.
- Grant revenue/expenses are shown as a “wash” in the FY 08 budget.
- Revenue in the FY 08 budget is within reach, but will require strong support by the board and management to ensure that fund raising goals and revenue generation from sales of health and safety services/products are accomplished.
- It was also noted that no expenses for the new chapter building project are included in the FY 08 operational budget. A separate Capital Campaign budget will need to be prepared. In FY 09 and future years there will be a need for budgeting higher expenses for operations of the new facility. In addition, if the chapter has to conduct a feasibility study within this next fiscal year, the fee for an outside consultant has not been budgeted. The approximate cost of this study is between \$15,000-20,000.
- Questions regarding the cost to the chapter for assuming a Regional Chapter role were answered with knowledge known at this time. The National organization has assured chapters that National will bear the expenses for the implementation of the Regional structure during the next fiscal year. The staff time required to fulfill the responsibilities, however, is an expense that will be incurred, and that is not budgeted.
- Questions regarding what is happening in other chapters: In FY 04, prior to the catastrophic disaster years, more than ½ of all chapters were in deficit budgets. That has increased in the past two years to closer to 60%. Though the hurricane years brought visibility and dollars to the organization, both at the

national and local levels, converting disaster donors to regular donors has not been as successful as hoped—nationwide. This fact is one of several which are driving the national organization to make some significant changes in structure, back office operations and also implementing a more strategic approach to fund raising. This is the ARC ONE project that was briefly mentioned in the Interim ED report at the last board meeting. The first Regional meeting for our Regional grouping of chapters will be April 17, 2007. Anna and Keith will be attending, but other board members are welcomed also.

- Carol Rittenhouse reviewed the next steps of the budgeting process. The approved budget will be sent to the Service Area for review and approval. If it is not approved, there will be more discussion for modification. After the Service Area approves the budget, it will then be sent to National.

There being no further discussion, **the substitute motion was passed by the Executive Committee.**

FY 06 Audit: The audit was briefly discussed at the last Executive Committee and Board meetings. Fran Buie is the Audit Chair. She and Keith Dean will present the audit for official board approval at its next meeting.

Update on Executive Director Search: Anna Johnson reported that the Search Committee completed two additional phone interviews on April 4, 2007. Plans are to have face to face interviews with four candidates on April 13, 2007. Two are from out of town. When the interview schedule is completed, it will be sent to the board members and any are welcomed to attend. The Search Committee will conduct the interviews along with representatives from the Service Area. Staff will also meet and have discussions with the candidates. Staff's input will be considered in the final recommendation for hiring a new Executive Director.

Announcements:

April 10, 2007: ARC Day at the Capitol.

April 17, 2007: Regional Meeting to be held from 9:30 a.m.-4:30 p.m. at the Tallahassee Mall, Police Department Training Room. More information will be Sent to the board soon.

April 24, 2007: 9:00-10:30 a.m. United Way Allocation Panel at chapter headquarters. More information will be sent when agenda is complete. The meeting will start promptly at 9:00 a.m. and board members are requested to arrive no later than 8:45 a.m.

May 22.2007 Next regular Executive Committee meeting

May 29, 2007: Next regular Board meeting

Adjournment:

Meeting adjourned at 3:10 p.m.

Submitted by:

Carol Rittenhouse, Interim Executive Director for

Jaimi Wacksman, Secretary